



INFLATION MONITOR

September 16, 2024

Economic Analysis and Research Department

Macroeconomic indicators:

- **Annual HICP headline inflation in the euro area declined further to 2.2% in August 2024 compared to July (2.6%) and June (2.5%).** This is due to the significant drop in energy inflation and to the further decline in non-energy industrial goods inflation. Core inflation (HICP excluding energy and food) ticked down to 2.8% in August 2024 from 2.9% reported in July and June. This development is also due to the deceleration in non-energy industrial goods' inflation which offset the increased rate in services inflation. **Annual CPI inflation in the US fell to 2.9% in July and to 2.5% in August 2024,** the lowest rate since February 2021, from 3.0% in June. Core CPI inflation stood at 3.2% in August, matching July's reading. **Annual HICP headline inflation in Greece accelerated further to 3.2% in August 2024 compared to July (3.0%) and June (2.5%).** This relates to inflation increases in the components of unprocessed food, energy and non-energy industrial goods. Core inflation increased to 3.7% in July 2024 from 3.4% in June, while remained unchanged at 3.7% in August, reflecting a higher rate for the non-energy industrial goods component offset by a lower inflation rate for services.

Market-based indicators:

- **Medium- and long-term euro area nominal bond yields fell,** in the two-month period under review, more so in the US than the euro area, following signs of decelerating economic activity and falling inflation in both regions.
 - In the **euro area** nominal yields have fallen compared to two months ago, more so for medium-term bonds, mainly driven by lower inflation expectations.
 - In the **US** nominal yields also retreated, again more so on medium-term bonds, as economic activity indicators came out softer-than-expected; real yields fell, as labour-market readings came out worse-than-expected, coupled by falling market-based inflation expectations.
- **The worse-than-expected US labor market readings, led to a downward revision of market-based expectations for policy rates.**
 - **The ECB has already cut rates twice in 2024 by a total of 50 bps.** A third cut this year is seen as certain until December with the cut expected to be 25 bps or 50 bps, with roughly equal probabilities. Moreover, markets now expect that the ECB will cut its rates by 75-100 bps in 2025H1, revising downward their outlook for euro-area rates (rate cuts of 50 bps were expected two months ago).
 - **The Fed is expected to cut the Fed funds rate (FFR) by 25 bps, at the range of 5.00%-5.25%, in September 2024** and by a total of 100 bps until the end of the year. Further rate cuts of 100-125 bps are expected in 2025H1; this constitutes a revision downwards for the outlook of US rates (rate cuts of 75 bps were expected two months ago).

Key statements and news:

- Fed Chair Jerome Powell, stated that, "the time has come for policy to adjust", but there is still uncertainty over the timing and pace of rate cuts going forward.
- The ECB decided, in its September GovC meeting, to cut the Deposit Facility Rate (DFR), i.e. the rate through which it steers monetary policy, by 25 bps, to stand at 3.5% from 3.75% previously; also it reduced the spread of the rate on main refinancing operations (MRO) with the DFR at 15 bps, thus setting the MRO rate at 3.65% and the marginal lending facility rate at 3.9%.
- C. Lagarde, at the Q&A session, after the September's monetary policy meeting, said that the period until October's GovC is a relatively short period and that the ECB will remain data-dependent on its rate setting decisions.

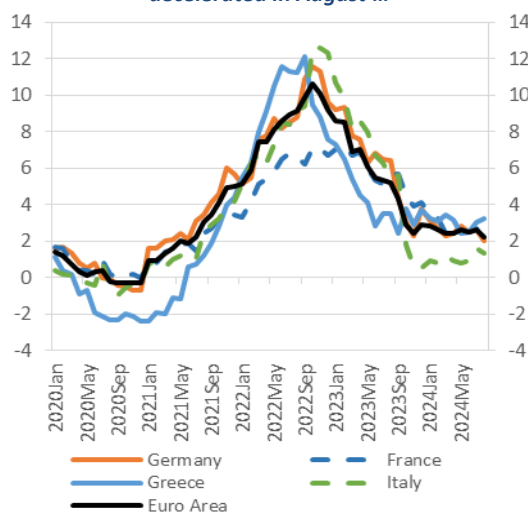
Section 1: HICP developments

- *Inflationary pressures in the euro area moved sideways in the first six months of 2024 but decelerated in August. Core inflation remains at elevated levels.*
- *In Greece both headline and core inflation moved sideways in the first half of 2024. Headline inflation fell below core inflation after the first quarter of 2024, due to an easing of unprocessed food and non-energy industrial goods inflation.*

HICP Headline inflation for selected euro area countries

(annual % changes)

Inflation has been moving sideways in the first six months of 2024 but decelerated in August ...

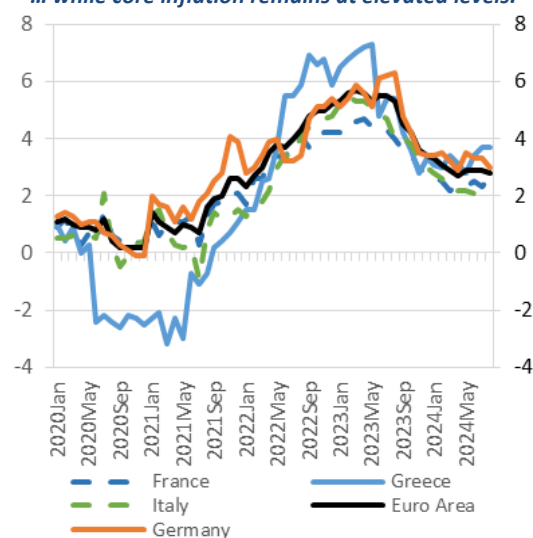


Source: Eurostat. Latest observation: August 2024.

Core inflation for selected euro area countries
(HICP excluding energy & food)

(annual % changes)

... while core inflation remains at elevated levels.

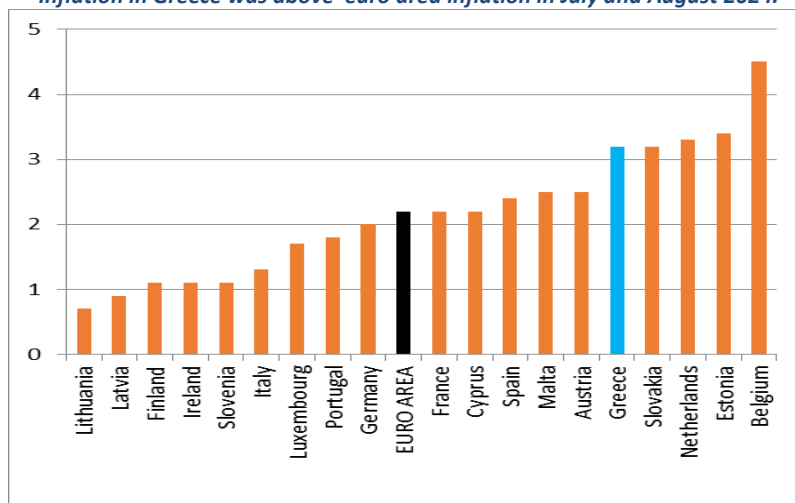


Source: Eurostat. Latest observation: August 2024.

HICP Headline inflation for euro area countries – August 2024

(annual % changes)

Inflation in Greece was above euro area inflation in July and August 2024.



Source: Eurostat.

Price developments in the euro area and Greece

(annual % changes)

Core inflation stays at elevated levels due to increased services inflation.

EURO AREA	2024 weights (%)	2021	2022	2023	2023		2024		2024							
					Q3	Q4	Q1	Q2	Feb	Mar	Apr	May	Jun	Jul	Aug	
Harmonised Index of Consumer Prices (HICP)																
Overall index	100.00	2.6	8.4	5.4	5.0	2.7	2.6	2.5	2.6	2.4	2.4	2.6	2.5	2.6	2.2	
Goods	55.12	3.4	11.9	5.7	4.5	1.7	1.5	1.3	1.5	1.2	1.3	1.3	1.2	1.4	0.5	
Processed food (including alcohol and tobacco)	15.12	1.5	8.6	11.4	10.3	7.1	4.4	2.9	4.5	3.5	3.2	2.8	2.7	2.7	2.7	
Unprocessed food	4.35	1.6	10.4	9.1	7.9	5.9	2.8	1.4	2.1	-0.5	1.2	1.8	1.3	1.0	1.1	
Non-energy industrial goods	25.73	1.5	4.6	5.0	4.6	2.9	1.6	0.7	1.6	1.1	0.9	0.7	0.7	0.7	0.4	
Energy	9.91	13.0	37.0	-2.0	-4.6	-9.8	-3.9	-0.1	-3.7	-1.8	-0.6	0.3	0.2	1.2	-3.0	
Services	44.88	1.5	3.5	4.9	5.3	4.2	4.0	4.0	4.0	4.0	3.7	4.1	4.1	4.0	4.2	
Core Inflation (HICP less energy, food, alcohol and tobacco)	70.62	1.5	3.9	4.9	5.1	3.7	3.1	2.8	3.1	2.9	2.7	2.9	2.9	2.9	2.8	
GREECE																
Harmonised Index of Consumer Prices (HICP)																
Overall index	100.00	0.6	9.3	4.2	3.1	3.5	3.2	2.7	3.1	3.4	3.2	2.4	2.5	3.0	3.2	
Goods	53.62	2.0	12.9	3.8	2.1	3.7	2.9	1.6	2.8	2.8	2.7	1.4	0.7	1.1	1.7	
Processed food (including alcohol and tobacco)	17.27	0.7	9.5	9.3	7.8	6.1	4.6	3.0	4.7	3.7	3.9	2.5	2.7	2.5	2.1	
Unprocessed food	7.65	2.2	10.1	11.1	13.3	12.5	9.0	2.3	8.3	7.2	6.9	2.2	-1.7	-1.2	2.0	
Non-energy industrial goods	21.14	-0.7	5.0	6.4	5.8	3.2	2.2	1.4	1.7	2.1	1.8	1.5	1.1	0.9	1.4	
Energy	7.56	12.4	41.0	13.4	18.7	-6.0	-3.4	-1.9	-2.8	-1.0	-1.4	-1.8	-2.4	1.4	2.3	
Services	46.38	-1.0	4.5	4.5	4.1	3.1	3.6	3.8	3.5	4.0	3.7	3.3	4.4	5.0	4.7	
Core Inflation (HICP less energy, food, alcohol and tobacco)	67.52	-1.1	4.6	5.3	5.0	3.2	3.1	3.1	3.0	3.4	3.1	2.8	3.4	3.7	3.7	

Sources: Eurostat, ELSTAT and BoG calculations.

Price developments in the energy component of the Greek HICP and its subcomponents

(annual % changes)

Energy prices eased significantly in the first half of 2024 but returned to positive ground as of July 2024 due to increases in electricity and in natural gas inflation.

GREECE	2024 weights (%)	2021	2022	2023	2023		2024		2024							
					Q3	Q4	Q1	Q2	Feb	Mar	Apr	May	Jun	Jul	Aug	
Harmonised Index of Consumer Prices (HICP)																
Overall HICP index	100.00	0.6	9.3	4.2	3.1	3.5	3.2	2.7	3.1	3.4	3.2	2.4	2.5	3.0	3.2	
ENERGY	7.56	12.4	41.0	-13.4	-18.7	-6.0	-3.4	-1.9	-2.8	-1.0	-1.4	-1.8	-2.4	1.4	2.3	
Electricity	2.56	8.3	43.1	-15.0	-8.5	0.8	-2.0	-11.2	-1.1	-4.6	-7.4	-13.8	-12.2	-1.8	9.7	
Natural gas and town gas	0.25	68.3	127	-49.3	-78.0	-55.5	-52.3	-10.6	-52.0	-39.1	-26.9	-11.6	13.1	23.4	28.0	
Liquefied hydrocarbons	0.04	1.3	11.5	7.6	4.6	-1.1	1.4	-1.2	3.2	2.2	-0.9	-1.2	-1.5	-2.7	-3.0	
Liquid fuels	1.07	20.0	45.1	-11.8	-20.7	6.4	7.7	6.3	9.9	12.4	6.3	6.3	6.3	6.3	6.3	
Solid fuels	0.22	-0.7	11.0	21.2	23.3	10.0	7.6	0.0	7.2	6.9	0.4	0.1	-0.4	-0.7	-1.2	
Fuels for personal transport equipment	3.42	13.5	25.5	-7.8	-7.0	-6.7	-1.8	2.8	-1.7	0.5	2.3	5.5	0.6	0.5	-6.0	

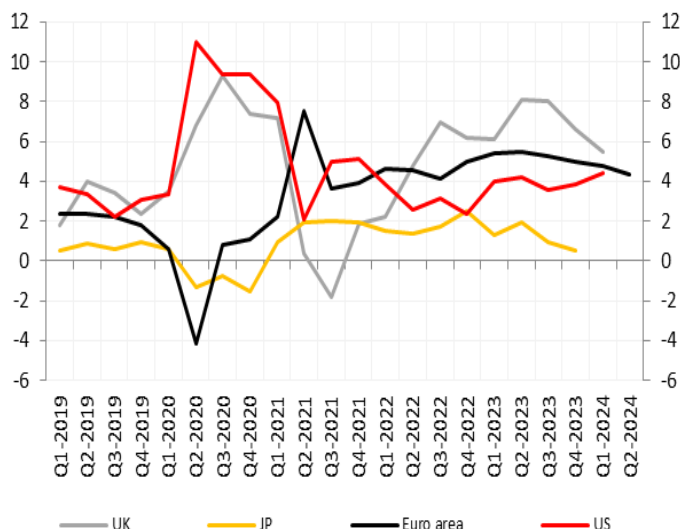
Sources: ELSTAT and BoG calculations.

Section 2: Labour market developments

- Labour markets remain tight in the euro area and Greece. While labour demand is slowing, it remains high in an environment in which unemployment is historically low.
- In the euro area, nominal wage growth is easing, supported by declining inflation expectations.

Compensation per employee – major regions globally (y-o-y % change; sa)

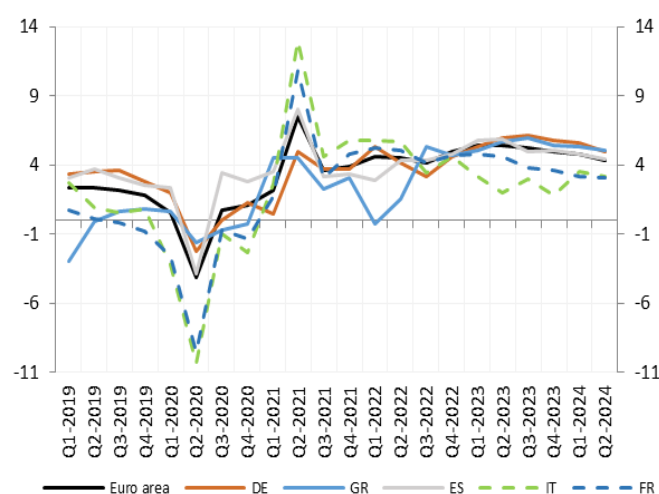
Compensation per employee growth moderated in Q1 2024 in major advanced economies, but increased in the US. In 2024Q2 it moderated further in the euro area.



Sources: OECD and ECB. Latest observation: Q2 2024 for the euro area, Q1 2024 for the US, UK and Q4 2023 for Japan.

Compensation per employee – selected euro area countries (y-o-y % change; sa)

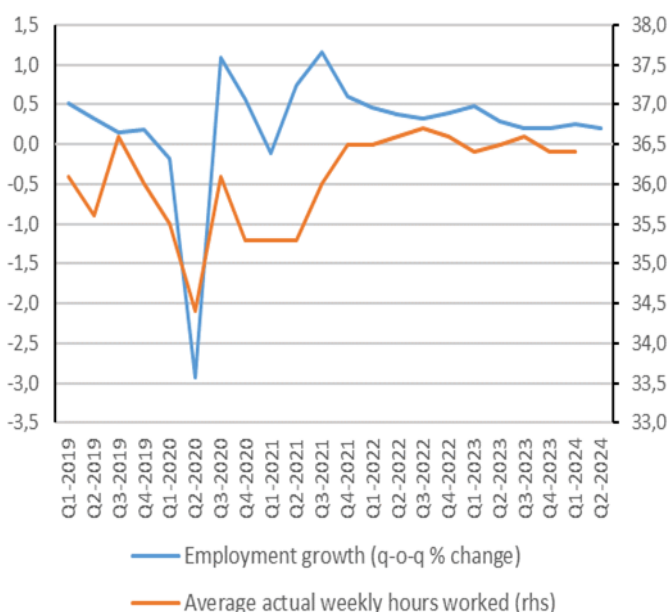
Compensation per employee growth eased in major euro area countries, in 2024Q2.



Sources: ECB. Latest observation: Q2 2024.

Employment and hours worked – euro area

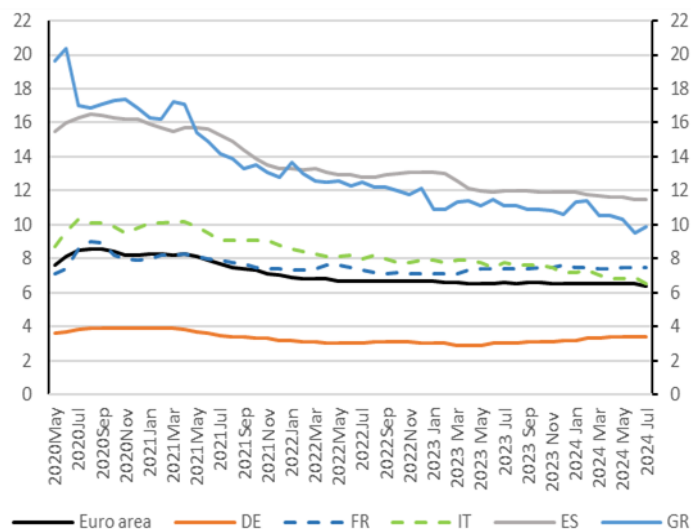
Employment growth remains resilient.



Source: Eurostat. Latest observation: 2024Q2 for employment growth, Q1 2024 for average actual weekly hours worked.

Unemployment – selected euro area countries (%)

In July 2024, the unemployment rate remained broadly unchanged, in the euro area and in major euro area countries except from Italy (decreased); in Greece it edged down to 9.9%.



Source: Eurostat. Latest observation: July 2024.

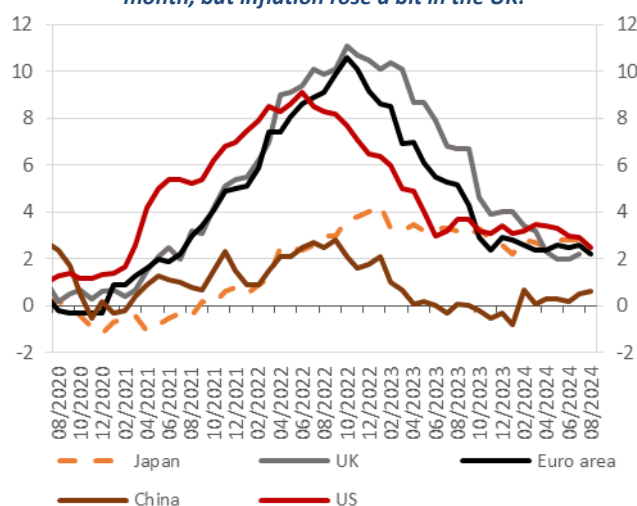
Section 3: Global prices

- *Disinflation broadly continues in major advanced economies.*
- *Since early July, crude oil prices have decreased, as muted demand from China magnified the impact of relatively ample supply. European natural gas prices have climbed by 14% driven by supply distortions related to geopolitical risks. Prices for industrial metals have softened lately due to renewed concerns of poor demand from China. Agricultural commodity prices have increased slightly, reversing the downward trend of last months, due to unfavorable weather conditions.*
- *The attacks on vessels in the Red Sea/Gulf of Aden by Houthi rebels since mid-December 2023 led several containership companies to suspend transit through that region. As a result, the global sea container transportation costs more than quadrupled, while the corresponding cost from China to Europe has increased fivefold compared to November 2023; though there are some signs of cost moderation in early September. Transit time between China – Europe has increased as some vessels opt for the longer route via the Cape of Good Hope, but the one of China – USA remains close at its pre-pandemic level.*

Headline consumer price inflation

(annual % change)

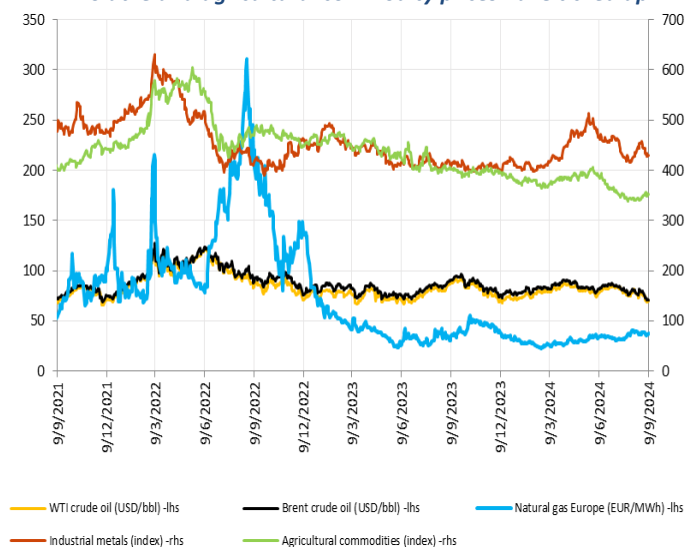
In August, inflation fell in the US and the euro area and edged up in China. In July, inflation held steady in Japan, for the third consecutive month, but inflation rose a bit in the UK.



Sources: OECD, Eurostat, UK ONS. Latest observation: Latest observation: August 2024 for the euro area, US and China, July for the UK and Japan.

Daily commodity prices

Since early July, crude oil prices have declined, and European natural gas prices have significantly increased. Industrial metal prices have been volatile and agricultural commodity prices have ticked up

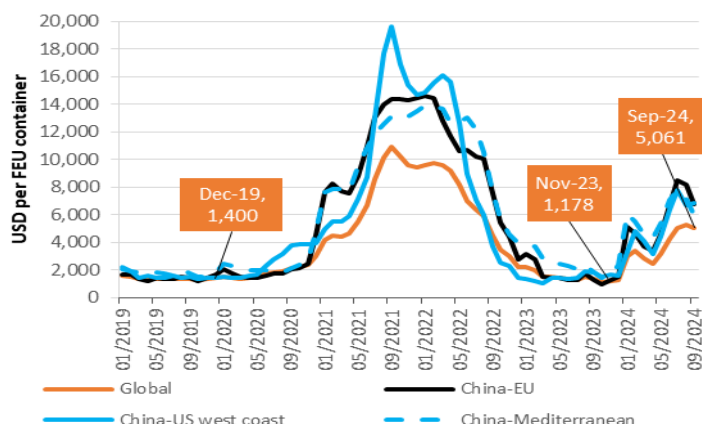


Source: LSEG. Latest observation: 9.09.2024.

Note: S&P Goldman Sachs Commodity spot price indices for industrial metals and agricultural commodities.

Containers transportation cost – Freightos Index

Global sea transportation costs more than quadrupled due to Houthi rebels' attacks on vessels crossing the Red Sea.

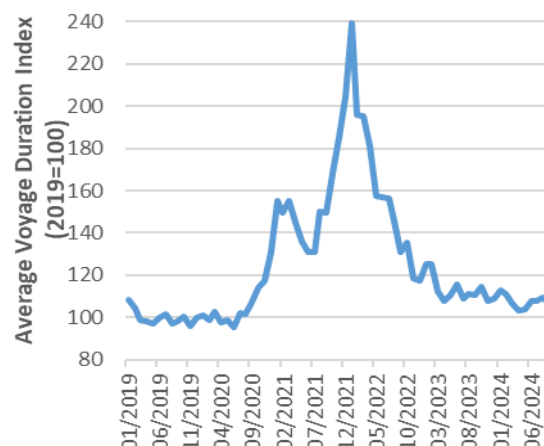


Sources: Freightos and LSEG. Latest observation: 09.09.2024.

Notes: Freightos Baltic Indices reflect the ocean container transport spot freight rates (port to port) for a standard forty-foot container (FEU). Monthly average of daily data.

China-US West Coast containership voyage time

The average voyage time has declined to its pre-pandemic level.



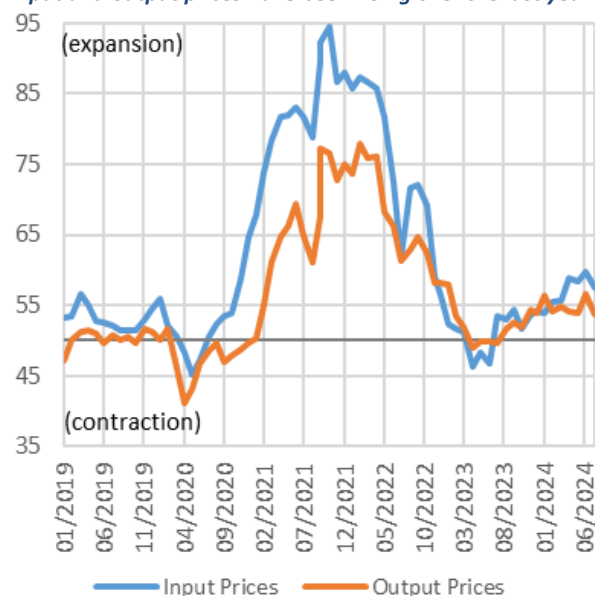
Source: Clarkson Research Services. Bank of Greece's calculations. Latest observation: 09.09.2024

Section 4: Leading price indicators

- PMI input prices in Greece continued rising in July and August 2024 due to hikes in supplier charges for items such as metals, and greater shipping fees; nevertheless, the pace of increase slowed to the weakest since April. Output price inflation also increased in the last two months but at the slowest rate since November 2023.

PMI input and output prices in Greek manufacturing

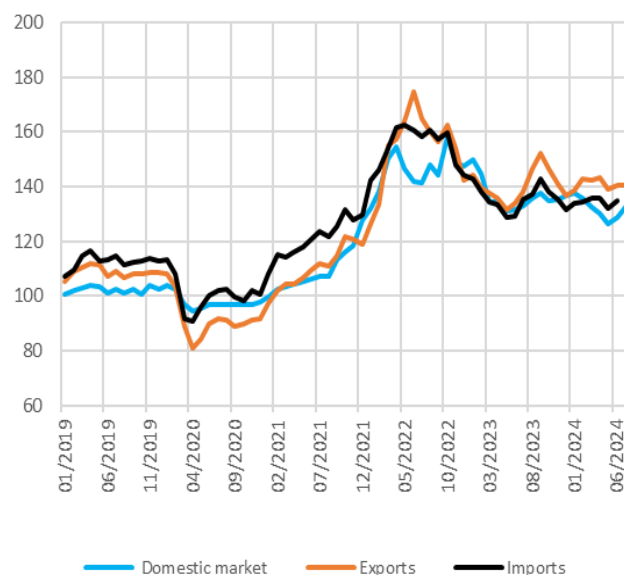
Input and output prices have been rising over the last year...



Source: S&P Global. Latest observation: August 2024.

Producer Price Index components in Greece

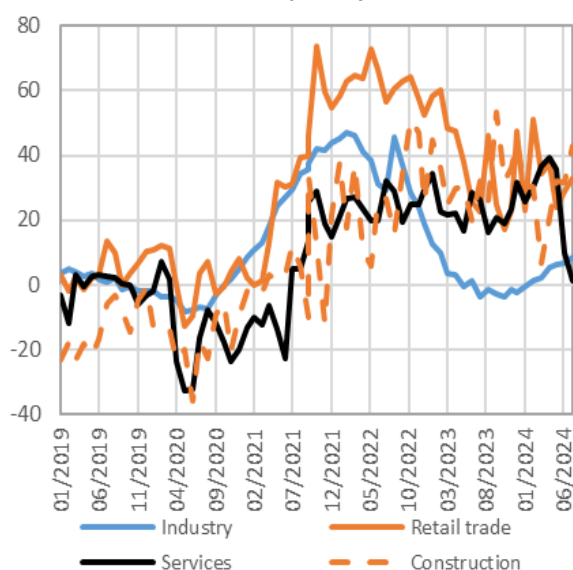
...while producer prices are broadly flat lately.



Source: ELSTAT. Latest observation: June 2024.

Selling price expectations in business sectors in Greece
(for the next 3 months)

Selling price expectations are on an increasing path in most sectors, with the notable exception of services...

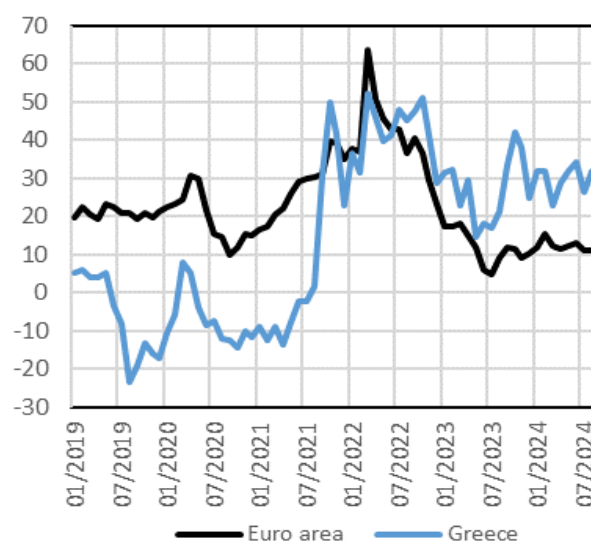


Source: European Commission. Latest observation: August 2024.

Note: Data are obtained from the closed-ended question about expectation of inflation over the next 3 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

Consumer price expectations
(for the next 12 months)

...while consumers' price expectations have been moving sideways so far during 2024.



Source: European Commission. Latest observation August 2024.

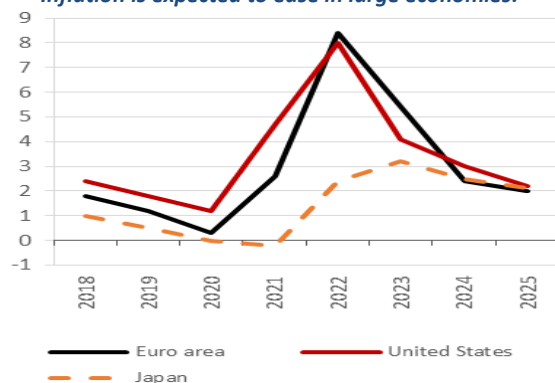
Note: Data are obtained from the closed-ended question about expectation of inflation over the next 12 months. The chart shows the net balances i.e. the share of consumers expecting higher inflation minus the share of consumers expecting lower inflation.

Section 5: Inflation expectations

- *Consensus Forecasts of inflation released in August suggests expected declining inflation for most advanced countries for 2024-2025 and convergence to 2%. Compared to the survey of June, figures were broadly stable for many advanced economies but inflation expectations were revised up for the US.*
- *ECB's Consumer Expectations Survey (CES) shows that median inflation expectation over the next 12 months both in Greece and in the euro area remained stable at 9.9% and 2.8%, respectively. Median inflation expectations three years ahead in Greece have decreased to 8.1% in July 2024 from 8.4% in June while in the euro area they marginally increased to 2.4%.¹*
- *Market-based inflation expectations in the euro area and in the US continued to decline; currently in both regions medium term breakeven inflation is below 2% (on 10.9.2024 vs. 11.7.2024, 5-year breakeven inflation rates: EA: 1.58%, -31 bps; US: 1.81%, -28 bps; 10-year breakeven inflation rates: EA: 1.78%, -26 bps; US: 2.04%, -19 bps). Declining real yields reflect weaker than previously expected economic growth in the US, (on 10.9.2024 vs 11.7.2024: EA-5y: 0.46%, -10 bps; EA-10y: 0.40%, -3 bps; US-5y: 1.62%; -36 bps, US-10y: 1.67%; -30 bps).*

Consensus: Inflation expectations (I)

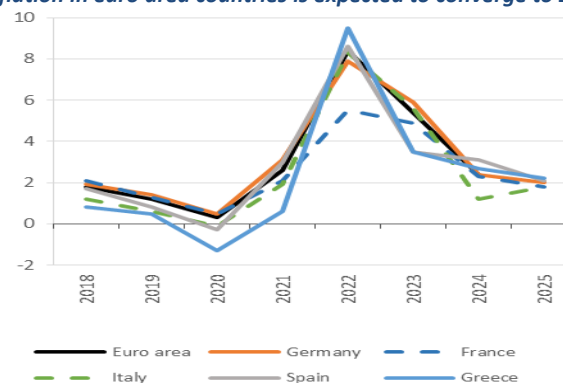
Inflation is expected to ease in large economies.



Source: Consensus Forecasts (June 2024).

Consensus: Inflation expectations (II)

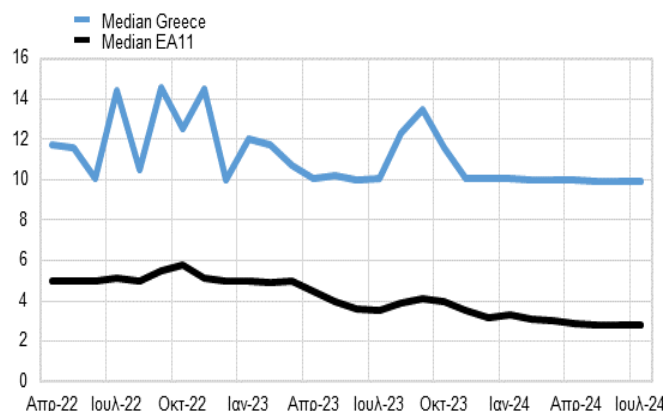
Inflation in euro area countries is expected to converge to 2%.



Source: Consensus Forecasts (June 2024).

Consumer inflation expectations over the next 12 months – Greece vs EA

Short-term inflation expectations in Greece and in the EA remained stable.

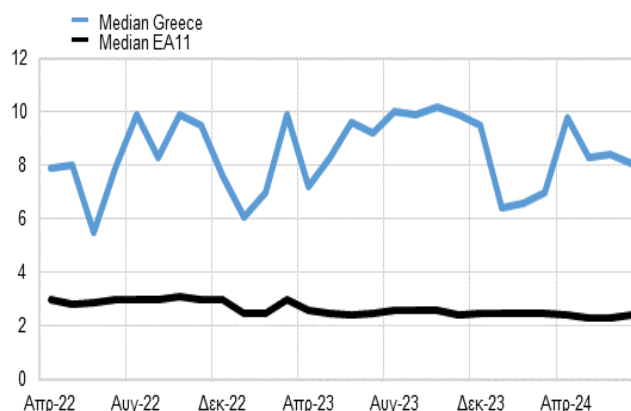


Source: ECB Consumer Expectations Survey (CES).

Note: Using weighted data. Median inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general over the next 12 months. The sample period is from April 2022 to July 2024.

Consumer inflation expectations 3 years ahead – Greece vs EA

Medium-term inflation expectations in Greece decreased, whereas in the EA they marginally increased.



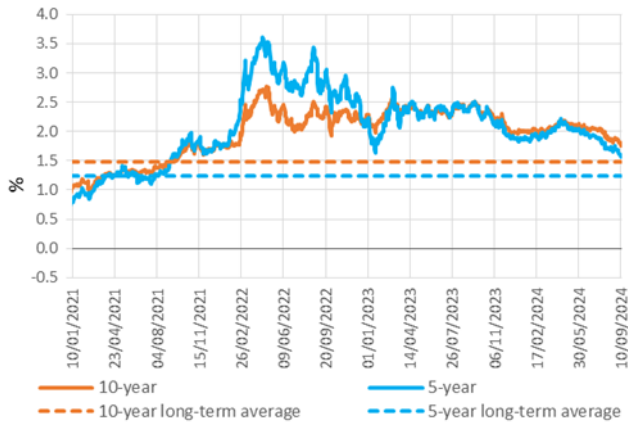
Source: ECB Consumer Expectations Survey (CES).

Note: Using weighted data. Median inflation expectations are obtained from the open-ended question about individuals' expectations of changes in prices in general between 2 and 3 years. The sample period is from April 2022 to July 2024.

¹ It is noted that median consumer inflation expectations are significantly higher in Greece compared to the euro area and also significantly higher than current inflation. Some early research seems to indicate that the upward divergence of Greek households' inflation expectations vs those in the euro area could be attributed to the Greek households' pessimism about their own financial situation. For more details see the Box titled "Inflation expectations for Greek consumers: Evidence from the ECB Consumer Expectations Survey", in Annual Governor's Report (forthcoming) which builds on Coibion, O., D. Georgarakos, Y. Gorodnichenko, and M. van Rooij (2023), "How Does Consumption Respond to News about Inflation? Field Evidence from a Randomized Control Trial", American Economic Journal: Macroeconomics, 15(3), 109-152.

Euro-area breakeven inflation rates

Market-based expectations for euro-area inflation, over a medium- to long-term horizon, retreated over the last month, standing lower than 2%.

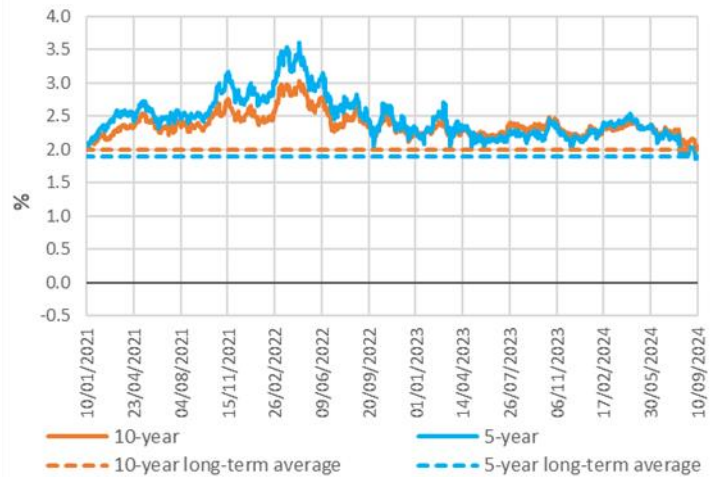


Sources: LSEG, Bank of Greece. Latest observation: 10.09.2024.

Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked EA benchmark bonds with a maturity of 5 (blue line) and 10 (orange line) years. The dotted lines indicate the average value of each series since 2013.

US breakeven inflation rates

Market-based expectations for US inflation, over a medium- to long-term horizon declined over the last month, standing close 2%.



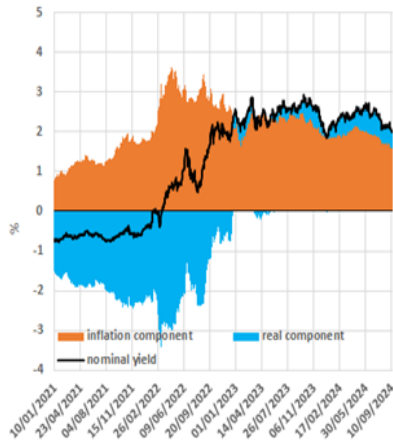
Sources: LSEG, Bank of Greece. Latest observation: 10.09.2024.

Note: The chart illustrates daily developments in the yield differential between nominal and inflation-linked US Treasury bonds with a maturity of 5 (blue line) and 10 (orange line) years. The dotted lines indicate the average value of each series since 2013.

Euro area: Decomposition of nominal 5y yields into real yield and inflation component

In the EA, nominal yields fell significantly, with the inflation expectations components declining more than real yields (i.e. inflation-linked bond yields which compensate investors for inflation).

Left graph: levels (%)



Right graph: changes (pp)



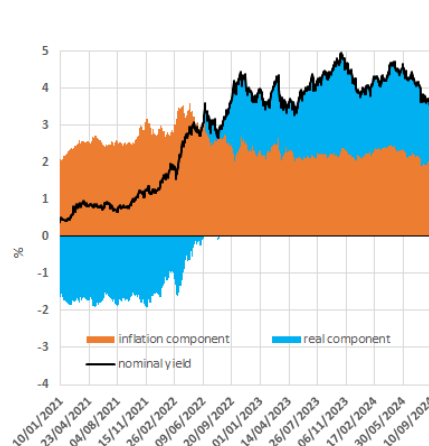
Sources: LSEG, Bank of Greece. Latest observation: 10.09.2024.

Note: The chart shows the decomposition of the 5-year EA benchmark bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year German inflation-linked federal bond).

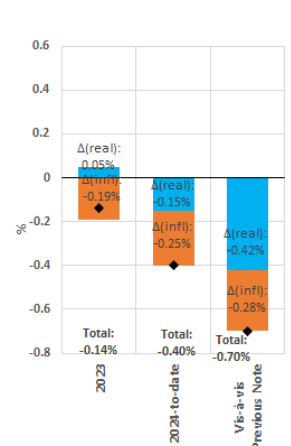
US: Decomposition of nominal 5y yields into real yield and inflation component

In the US, nominal yields on medium-term bonds retreated, as real yields (i.e. yields on US Treasury inflation-protected securities) fell sharply after July's weaker-than-expected reading on US non-farm payrolls; the fall in real yields was coupled with a significant fall in expected inflation.

Left graph: levels (%)



Right graph: changes (pp)



Sources: LSEG, Bank of Greece. Latest observation: 10.09.2024.

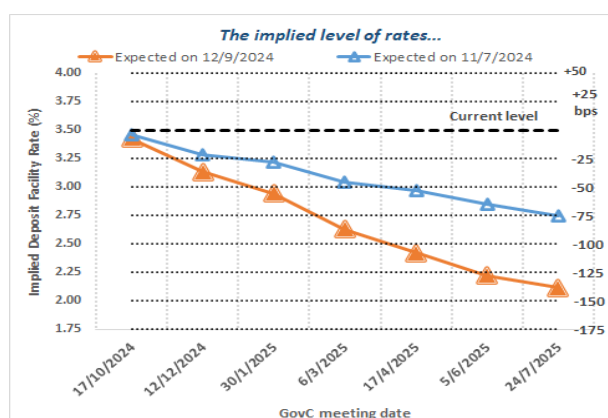
Note: The chart shows the decomposition of the 5-year US Treasury bond yield (black line) into its real (blue bars) and inflation-linked (orange bars) components. The inflation component is the breakeven inflation rate and the real component is the yield of the bond that compensates bondholders for inflation (i.e. the 5-year US Treasury Inflation-Protected Security).

Section 6: Policy interest rates expectations

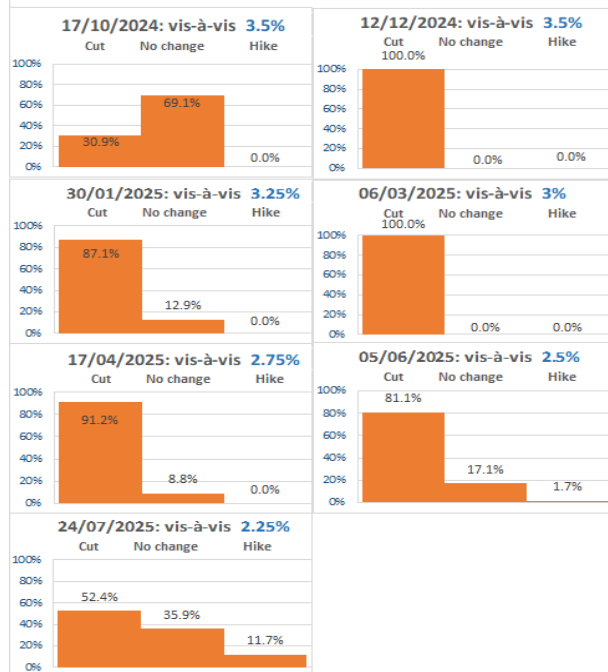
- The ECB has already cut rates twice in 2024 by a total of 50 bps. A third rate cut is expected by December, either by 25 or 50 bps (probabilities: 48% and 52%, respectively). Furthermore, by the end of 2025H1 ECB's DFR is expected to stand 75-100 lower than in the end of 2024.
- Market-based expectations for the outlook of the FFR imply that the FED is expected, with 70% probability, to cut rates by 25 bps in September's FOMC, while a larger cut of 50 bps gathers a 30% likelihood. After that, two more cuts are expected: one in November and another in December, with the case for total rate cuts of 100 bps, during 2024, being seen as roughly equally likely to that of 125 bps rate cuts (probabilities: 45% and 55%, respectively). By the end of 2025H1 the FFR is expected to stand 100-125 bps lower than its level at 2024-end.

Short-term rates in the euro area

Money markets expect that the ECB will cut rates by 25 bps in December's GovC, so that rates will have been reduced by 100 bps, during 2024. The outlook for ECB rates in the first semester of 2025 has been steeply revised downwards, vis-à-vis two months ago.

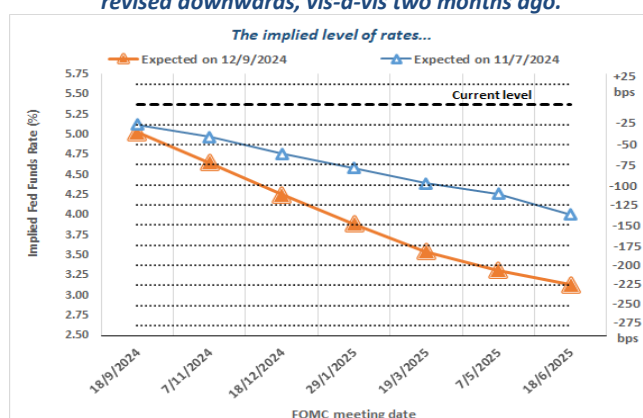


...the likelihood of moves per GovC meeting vis-à-vis the central probability for the rate at the previous meeting

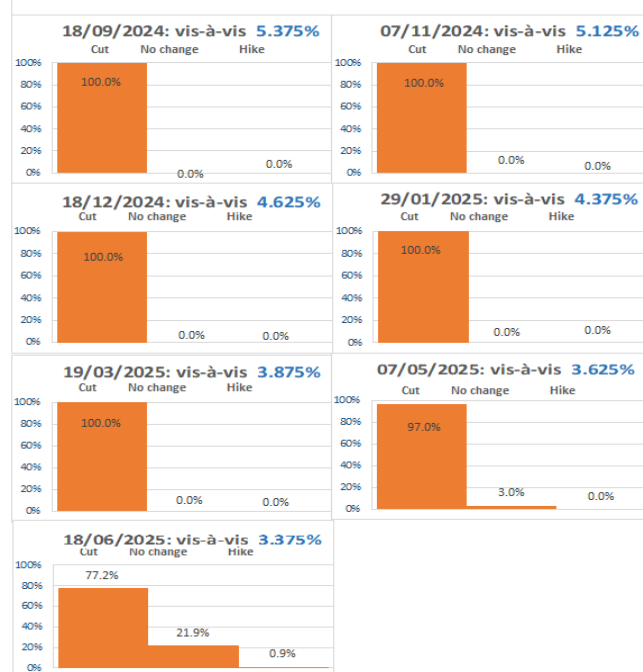


Short-term rates in the US

Interest rate derivatives price in, a 25 bps rate cut by the Fed in September while by the end of 2024 the cases that the FED will have cut rates by either 100 or 125 bps, in total, are priced-in as roughly equally likely. The US rates outlook for the first semester of 2025 has been revised downwards, vis-à-vis two months ago.



...and the likelihood of moves per FOMC meeting vis-à-vis the central probability for the rate at the previous meeting



Sources: LSEG. Latest observation: 12.09.2024.

Notes: Upper charts: The orange line shows the most recent expectation about the level of the policy rate (ECB: Deposit Facility Rate, Fed: Fed funds rate), as implied by the OIS rates' yield curve (ECB) or the pricing in futures contracts (Fed) for each meeting from today until December 2024. The blue dotted line shows the expectation on average over the last 30 days. The horizontal axis shows the date of each meeting. The dashed lines show the present level of the policy rate and its expected level given the market's view about upcoming rate moves by the ECB (charts in the left) or the Fed (charts on the right). Lower charts: The bars show the level of likelihood (i.e. implied probabilities) for the event of a rate move (from left to right: cut, no change, hike). The graphs correspond to monetary policy meetings (GovC for the ECB and FOMC for the Fed) during 2024. The probabilities for each move are calculated as the sum of the probabilities for rates lower, equal or higher, respectively, vis-à-vis the central probability for the rate at the previous meeting as inferred by the latest OIS yield curve (ECB) or futures contracts for different delivery dates (Fed).

Section 7: Eurosystem's latest published inflation projections (September 2024)

Euro area

- *Headline inflation is projected to increase somewhat in the last quarter of this year, due to upward energy base effects, before moderating further to reach the target by the end of 2025.*
- *Over the medium term, energy inflation should settle at low positive rates, given market expectations for energy commodity prices and planned climate change-related fiscal measures.*
- *Lately food price inflation has declined strongly, due to lower energy and food commodity prices. Food price inflation will move broadly sideways, before moderating further from 2025.*
- *HICP inflation excluding energy and food (HICPX) will remain above headline inflation for almost all of the horizon but will continue its downward path. Services inflation has remained stubbornly high over recent months but it should ease driven by moderating indirect effects of energy price shocks, the downward impact from monetary policy tightening and lower labour cost pressures.*
- *Lately, wage growth has started to decline from elevated levels. Growth in compensation per employee will decline in the second half of the year and will average 4.5% in 2024. It will further moderate over the projection horizon.*
- *A recovery in productivity growth will support the moderation in labour cost pressures.*
- *Profit growth has declined notably, buffering the pass through of labour costs to prices.*

Greece

- *HICP inflation will decline significantly over the next two years.*
- *In 2024, its drop reflects the sharp decline in energy commodity prices and the de-escalation of food inflation.*
- *By the end of the projection horizon, inflation will converge towards 2% but will remain above it. Services inflation is expected to be the most persistent component, reflecting expected notable increases in wages.*
- *Nominal compensation per employee will increase at a rate slightly over 5% per year because of the tight labour market and information on the recent collective labour agreements.*

Macroeconomic projections, September 2024

Euro area

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
	Rate of changes					
2024	2.5	2.9	-1.4	4.5	0.0	4.5
2025	2.2	2.3	1.1	3.6	0.9	2.6
2026	1.9	2.0	0.6	3.2	1.1	2.1

Greece

	HICP	HICP ex energy and food	HICP energy	Comp. per employee	Productivity	ULC
	Rate of changes					
2024	2.9	3.4	-1.7	5.8	0.6	5.2
2025	2.2	2.9	-0.9	4.9	0.9	4
2026	2.1	2.5	-1.0	5.1	0.7	4.4

Table of news and statements on inflation (period: 13/7/2024-16/9/2024)

Statements by central bankers and other officials

- **23.8.2024: Fed Chair Jerome Powell (speaking at the Federal Reserve Bank of Kansas City Economic Symposium, Jackson Hole, [link](#)):** “[...] The time has come for policy to adjust. The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks. [...]”
- **12.9.2024: ECB Monetary policy decisions (Press release, [link](#)):** “The Governing Council today decided to lower the deposit facility rate – the rate through which it steers the monetary policy stance – by 25 basis points. [...] Staff project that the economy will grow by 0.8% in 2024, rising to 1.3% in 2025 and 1.5% in 2026. This is a slight downward revision compared with the June projections, mainly owing to a weaker contribution from domestic demand over the next few quarters. [...] the spread between the interest rate on the main refinancing operations and the deposit facility rate will be set at 15 basis points. The spread between the rate on the marginal lending facility and the rate on the main refinancing operations will remain unchanged at 25 basis points. Accordingly, the deposit facility rate will be decreased to 3.50%. The interest rates on the main refinancing operations and the marginal lending facility will be decreased to 3.65% and 3.90% respectively. [...]”
- **12/9/2024: C. Lagarde (Monetary policy statement and Q&A, [link](#)):** “[...] On the inflation outlook, when we receive the projections of our staff for September, it's virtually unchanged relative to June for the inflation outlook. And it continues to see a return to 2% at the end of 2025. And this is, by the way, the fifth consecutive projection exercise pointing to that 2% at the end of 2025. Why do I say that? Because it certainly reinforces our confidence in the solidity and robustness of those projections. That's for the first prism: the inflation outlook. For the underlying inflation on the other hand, we look at the various indicators that we have from domestic inflation to PCCI [Permanent and Common Component of Inflation]. And here we see one particular indicator, the domestic indicator, which is abating a little bit because it moved from 4.5% to 4.4% between June and July, and it is not satisfactory. It is resistant. It is persistent. [...] it is five weeks before 17 October, which is a relatively short period of time compared with other intervals that we've had in the past. I would simply repeat what I have said. We are going to be data-dependent. We are going to decide meeting by meeting. I'm not giving you any commitment of any kind as far as that particular date is concerned. And our path is not predetermined at all. [...]”

Data releases

Date	Announcement	Actual	Expected*	Actual vs Expected	Previous reading
17 July	Euro Zone HICP (%ΔYoY Jun Final)	2.5%	2.5%	0.0%	2.5%
17 July	Euro Zone HICP excl. food, energy, alcohol, tobacco (%ΔYoY Jun Final)	2.9%	2.9%	0.0%	2.9%
19 July	Germany Producer Prices YY (%ΔYoY Jun)	-1.6%	-1.6%	0.0%	-2.2%
26 July	United States Core PCE Price Index (%ΔYoY Jun)	2.6%	2.5%	0.1%	2.6%
26 July	United States PCE Price Index (%ΔYoY Jun)	2.5%	2.5%	0.0%	2.6%
31 July	Euro Zone HICP (%ΔYoY Jul Flash)	2.6%	2.5%	0.1%	2.5%
31 July	Euro Zone HICP excl. food, energy, alcohol, tobacco (%ΔYoY Jul Flash)	2.9%	2.8%	0.1%	2.9%
9 August	Germany CPI (%ΔYoY Jul Final)	2.3%	2.3%	0.0%	2.3%
9 August	Germany HICP (%ΔYoY Jul Final)	2.6%	2.6%	0.0%	2.6%
9 August	Greece HICP (%ΔYoY Jul)	3.0%	--	--	2.5%
9 August	Greece CPI (%ΔYoY Jul)	2.7%	--	--	2.3%
14 August	United States Core CPI (%ΔYoY Jul)	3.2%	3.2%	0.0%	3.3%
14 August	United States CPI (%ΔYoY Jul)	2.9%	3.0%	-0.1%	3.0%
20 August	Germany Producer Prices (%ΔYoY Jul)	-0.8%	-0.8%	0.0%	-1.6%
20 August	Euro Zone HICP (%ΔYoY Jul Final)	2.6%	2.6%	0.0%	2.6%
20 August	Euro Zone HICP excl. food, energy, alcohol, tobacco (%ΔYoY Jul Final)	2.9%	2.9%	0.0%	2.9%
29 August	Germany CPI (%ΔYoY Aug Preliminary)	1.9%	2.1%	-0.2%	2.3%
29 August	Germany HICP (%ΔYoY Aug Preliminary)	2.0%	2.3%	-0.3%	2.6%
30 August	France HICP(%ΔYoY Aug Preliminary)	2.2%	2.1%	0.1%	2.7%
30 August	France CPI (%ΔYoY Aug Preliminary)	1.9%	1.8%	0.1%	2.3%
30 August	Euro Zone HICP (%ΔYoY Aug Flash)	2.2%	2.2%	0.0%	2.6%
30 August	Euro Zone HICP excl. food, energy, alcohol, tobacco(%ΔYoY Aug Flash)	2.8%	2.8%	0.0%	2.9%
30 August	United States Core PCE Price Index (%ΔYoY Jul)	2.6%	2.7%	-0.1%	2.6%
30 August	United States PCE Price Index (%ΔYoY Jul)	2.5%	2.6%	-0.1%	2.5%
10 September	Germany CPI (%ΔYoY Aug Final)	1.9%	1.9%	0.0%	1.9%
10 September	Germany HICP Final YY (%ΔYoY Aug Final)	2.0%	2.0%	0.0%	2.0%
10 September	Greece HICP (%ΔYoY Aug)	3.2%	--	--	3.0%
10 September	Greece CPI (%ΔYoY Aug)	3%	--	--	2.7%
11 September	United States Core CPI (%ΔYoY Aug)	3.2%	3.2%	0.0%	3.2%
11 September	United States CPI (%ΔYoY Aug)	2.5%	2.6%	-0.1%	2.9%

Source: LSEG.

*Expected figures are based on opinion polls among financial sector experts.

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